

Exhibit E



P&G

Designed to Grow

2007 Annual Report

Fellow Shareholders:

We've grown P&G sales from \$39 billion to \$76 billion in the past seven years. We've more than doubled the number of brands that generate \$1 billion or more in sales each year, and now have 23 of these leading billion-dollar brands in our portfolio. We've more than quadrupled the number of brands that generate at least \$500 million in sales, and now have 18 of these brands poised to be our next billion-dollar brands. We've nearly doubled the number of countries in which P&G generates a billion dollars or more in sales each year, and now have 12 billion-dollar countries. We do more than a billion dollars in sales each year with seven retail customers, up from two in 2001. We've generated more than \$43 billion in net earnings and \$50 billion in free cash flow. P&G's market capitalization has increased more than \$100 billion since 2001, and today the Company is among the ten most valuable companies in the U.S.

The critical question now for P&G shareholders, prospective investors, and Company management is: "How do we keep a company of P&G's size growing?"

A company must be *designed* to grow, and we've done that at P&G.

We've designed a diversified business portfolio to grow consistently and reliably. We've designed the core strengths we need to win in our industry. We've designed strategic, operational and financial processes that ensure discipline to deliver. And we've designed a management team and organization to lead. With clear choices, smart and sufficient investments, and an unwavering focus on the long-term health of our business, we have designed P&G to meet or exceed its growth targets reliably year after year.

FISCAL 2007 RESULTS

2007 was a good example of how P&G's design for growth works. It was the most demanding year we've faced since the beginning of the decade. Energy and commodity costs continued to rise. Competitive pressure intensified. We had to complete the vast majority of work to integrate Gillette. And yet, we continued to grow well within the Company's target growth range.

- Net sales increased 12%, to \$76 billion. Organic sales increased 5%.